

# NEWS from CPSC

## U.S. Consumer Product Safety Commission

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### Vornado Trust to Pay \$500,000 Civil Penalty for Failure to Report Defects and Hazards with Electric Heaters

WASHINGTON, D.C. - The U.S. Consumer Product Safety Commission (CPSC) announced today that a liquidating trust acting on behalf of a now-dissolved manufacturer of heaters has agreed to pay the government a \$500,000 civil penalty. The penalty settles allegations that Vornado Air Circulation Systems Inc., formerly of Andover, Kan., failed to report in a timely manner incidents of fire and overheating from defective heaters. In August 2004, CPSC and Vornado announced the [recall](#) of about one million portable electric heaters.

From January 1993 through February 2004, Vornado received more than 300 reports of units overheating, melting, smoking, or catching fire. The firm failed to report these incidents to the CPSC in a timely manner. Vornado finally reported the incidents to the CPSC in February 2004, but only after information was requested by the Commission staff.

Federal law requires firms to report to CPSC immediately after obtaining information reasonably supporting the conclusion that a product contains a defect which could create a substantial product hazard, or creates an unreasonable risk of serious injury or death.

"The law is clear and exists for a reason," said CPSC Acting Chairman Nancy Nord. "Any delay puts consumers at greater risk. The quicker we know about a dangerous product, the faster we can act to protect consumers."

In agreeing to settle the matter, the liquidating trust denies that Vornado violated federal law.



Picture of Recalled Portable Electric Heaters